

REMARKS/ARGUMENTS

Favorable reconsideration of this application, in light of the following discussion, is respectfully requested.

Claims 37-43, 45-54, 56-65, 67-69, and 97 are pending in the present application.

In the outstanding Office Action, Claims 37-43, 45-54, 56-65, 67-69, and 97 were rejected under 35 U.S.C. §112, first paragraph, for failing to comply with the written description requirement; the specification was objected to; and Claims 37-43, 45-54, 56-65, 67-69, and 97 were rejected under 35 U.S.C. §103(a) as unpatentable over Logan et al. (U.S. Patent No. 5,721,827, herein Logan) in view of Hammons et al. (U.S. Patent No. 6,477,509, herein Hammons).

With respect to the rejection of Claims 37-43, 45-54, 56-65, 67-69, and 97 under 35 U.S.C. §112, second paragraph, Applicants respectfully traverse the rejection. These claims are fully supported by the specification. The outstanding Office Action takes the position that the claim language “a refund quantity to be earned by the content creator” is new matter.<sup>1</sup> The Office Action appears to take this position because: (1) the word “refund” does not appear in the specification, and (2) the Office Action has given “refund” the definition of “a give back,” and asserts that “the content creator never provided anything to be given back, so the content creator cannot receive a ‘refund’ or a ‘give back.’”<sup>2</sup>

The specification provides descriptions of an exemplary embodiment where the content creator pays a fee to a service provider, and receives a refund from the service provider. For example, page 58 of the revised specification states “[i]n the case that the user PC 2 has a fixed or flat rate service contract called ‘as-much-as-I-like course,’ the management server 36 of the ASP 32 records only the connection period from connection start time and date to connection end time and date on the user information DB table 45 in the

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<sup>1</sup> Office Action, page 2, paragraph 3.

<sup>2</sup> *Id.*

user information database 37, and no service use charge is charged. Thus, the fee remains fixed.” Furthermore, the revised specification at page 69 states “[t]hus, the service use charge charged through a credit card company from the APS32 is subtracted or set off, so the content creator of a user PC 2 is to receive a profit redistribution, which is proportionate to the accumulated points.”

Accordingly, the specification fully describes that the content creator (user PC 2) pays a fee to the service provider, and receives a profit redistribution (a give back) of some or the entire fee paid to the service provider. Furthermore, Applicants refer the Office to Fig. 47, particularly steps SP91 and SP95. Step SP91 shows that there is an ISP connection fee charged to the content creator, and step SP95 shows that an amount is subtracted from the ISP connection fee.

Furthermore, Applicants respectfully submit that the outstanding Office Action applies an improper *in haec verba* test to support the rejection under 35 U.S.C. §112, first paragraph. MPEP §2163(I)(B) states “While there is no *in haec verba* requirement, newly added claim limitations must be supported in the specification through express, implicit, or inherent disclosure.” Applicants respectfully submit that there is express, implicit, and/or inherent disclosure of “refund,” as noted in the above discussion.

Accordingly, Applicants respectfully submit that the rejection under 35 U.S.C. §112, first paragraph, be withdrawn.

With respect to the objection to the specification, as requested in the outstanding Office Action, a substitute specification (with clean and marked-up copies) is submitted herewith. Applicants note that the phrase “profit give-back,” which was considered by the Outstanding Office Action to be “bad English,” has been replaced with the phrase “profit redistribution.” In addition, various grammatical informalities are corrected. It is respectfully submitted that the substitute specification does not add new matter.

With respect to the rejection of Claim 37 as obvious over the combination of Logan and Hammons, Applicants respectfully traverse the rejection. Claim 37 recites, *inter alia*,

calculating means for calculating *a refund quantity to be earned by the content creator as a function of a number of transmissions of the selected content data and whether the selected content included advertising data*;

storing means for storing and *accumulating the refund quantity for the content creator* in a content creator information database; and

determination means for determining which of a plurality of levels of an entitled refund *the refund quantity accumulated for the content creator* translates to, the plurality of levels of an entitled refund including a fee credit and merchandise.

According to the present invention recited in Claim 37, the refund quantity is to be earned by the content creator; calculated based on a number of transmission of the selected content data and whether the selected content included advertising data; and accumulated for the content creator in the content creator information database. Because the apparatus determines a refund for the content creator taking into account the refund quantity accumulated, the content creator is properly compensated at the end of a predetermined period of time in the form of the refund for the transmission of advertising data included in the content data created by the content creator.<sup>3</sup>

The outstanding Office Action takes the position that the claimed “refund” is a royalty payment. Applicants note that the Office Action defines “a refund” to be a give back, but when rejecting Claim 37, the Office Action equates “a refund” to a royalty payment.<sup>4</sup> As described in Logan, the royalty payment is made by the advertiser to the content provider.<sup>5</sup> Logan does not disclose or suggest that the content provider paid any fee to the advertiser. Thus, the royalty payment made by the advertiser to the content provider is not a refund, which the Office considers to be a “a give back.”

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<sup>3</sup> See the section titled “(8) Monthly Point Settlement Processing” in the revised specification

<sup>4</sup> Office Action, page 3, paragraph 7.

<sup>5</sup> Logan, col. 20, lines 3-7.

Furthermore, Logan does not disclose or suggest the claimed “storing means for storing and accumulating the refund quantity for the content creator in a content creator information database.” As discussed above, Logan does not disclose or suggest that a content creator receives a refund. Furthermore, disclosure of an account number of a content provider for the purpose of compensation for the playing of a program segment at col. 17, lines 16-19 of Logan, does not equate to the claimed storing means for storing and accumulating the refund. The account number is merely a method for identifying a destination where payment is to be sent. The existence of an account number does not necessarily mean that there is a storing means for storing and accumulating the refund quantity. In addition, the compensation in Logan is a royalty payment, which has already been established not to be a refund.

Furthermore, the claimed determination means determines a level of an entitled refund for the content creator, and not a user (or viewer) of the content. Logan merely discloses that the user (or viewer) can reduce his subscription cost by voluntarily accepting commercials along with the content.<sup>6</sup> Allowing a user (or viewer) to reduce his subscription cost does not determine which of a plurality of levels of an entitled refund the content creator receives.

Furthermore, with respect to the claim limitation of a “plurality of levels,” support for this phrase can be found, for example, in Fig. 47. The non-limiting embodiment of the claimed invention in Fig. 47 discloses one level of greater than 1,000,000 points and another level of less than 100,000 points.

Furthermore, Applicants note that Claim 37 requires the refund include a fee credit (i.e., a give back) and merchandise. Royalty payments are not a fee credit and merchandise.

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<sup>6</sup> Logan, col. 9, lines 57-66.

Furthermore, Logan does not describe or suggest determining a plurality of levels of an entitled refund for the content creator. In addition, even if the outstanding Office Action maintains its inconsistent position that “a refund” equates to a royalty payment, Logan does not disclose or suggest determining which of a plurality of levels of an entitled royalty payment the content creator receives.

Furthermore, Hammons does not cure the above-noted deficiencies in Logan. Hammons was only cited to disclose a refund that includes merchandise. However, Hammons merely discloses providing an incentive to the user.<sup>7</sup> Hammons does not disclose or suggest providing the content creator with a refund, which includes merchandise.

In view of the above-noted distinctions, the cited references of Logan and Hammons, either taken individually or in proper combination, do not teach or suggest all of the limitations recited in Claim 37. Independent Claims 48, 59, and 97 are considered allowable at least for the reasons advanced for Claim 37 to the extent that the claims include features substantially similar to those recited in amended Claim 37. Dependent Claims 38-43 and 45-47, 49-54 and 56-58, and 60-65 and 67-69 are considered allowable at least for the reasons advanced for Claims 37, 48 and 59 from which they depend, respectively.

Moreover, Applicants respectfully traverse the rejection of Claims 46, 57, and 68. The outstanding Office Action admits that Hammons and Logan do not disclose or suggest the subject matter of these claims. Rather, the outstanding Office Action merely asserts that it would be obvious for one of ordinary skill in the art to place an ad at the head of the content. In this regard, the PTO cannot merely assert (as it does on page 4) that the elements of Claims 46, 57, and 68 is a “common practice” without any evidence to support this assertion. In this last regard, the court in In re Zurko, 59 USPQ2d 1693, 1697-98 (Fed. Cir. 2001) noted the following:

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<sup>7</sup> Hammons, col. 2, lines 15-16.

This assessment of basic knowledge . . . was not based on any evidence in the record and, therefore, lacks substantial evidence support. As an administrative tribunal, the Board clearly has expertise in the subject matter over which it exercises jurisdiction. This expertise may provide sufficient support for conclusions as to peripheral issues. With respect to core factual findings in a determination of patentability, however, the Board cannot simply reach conclusions based on its own understanding or experience — or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings. [Emphasis added, footnote omitted.]

Accordingly, the PTO is called upon to present evidence of this asserted well known alternative antenna positioned in the manner claimed as required by MPEP §2144.03.

As no other issues are pending in this application, it is respectfully submitted that the present application is now in condition for formal allowance, and it is hereby respectfully requested that this case be passed to issue.

Respectfully submitted,

OBLON, SPIVAK, McCLELLAND,  
MAIER & NEUSTADT, P.C.



Bradley D. Lytle  
Attorney of Record  
Registration No. 40,073

Joseph Wrkich  
Registration No. 53,796

Customer Number  
**22850**

Tel: (703) 413-3000  
Fax: (703) 413 -2220  
(OSMMN 06/04)

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**Edward W. Tracy**  
**Registration No. 47,998**